GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5551
ANSWERED ON:29.04.2010
SUBSIDY ON FERTILIZERS
Dashmunsi Deepa

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the subsidy given on fertilizers during 2010-11 is likely to touch Rs. 60000 crore;

(b) if so, the details thereof;

(c) whether the Maximum Retail Price (MRP) of any chemical fertilizer is not likely to decrease during the current year as a result thereof;

(d) if so, the details thereof alongwith the reasons therefor;

(e) whether the farmers are not likely to get any financial concession/relief despite the increase in subsidy on fertilizers; and

(f) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b) An amount of Rs. 52840.73 crore (gross) is the Budget Estimate for subsidy on the fertilizers during 2010-11, the detail of which is as follows :

(i) Imported Urea - Rs. 8360 crore
(ii) Indigenous Urea - Rs. 15980.73 crore
(iii) Indigenous Decontrolled Fertilizers - Rs. 13000.00 crore
(iv) Imported Decontrolled Fertilizers - Rs. 15500.00 crore

(c) & (d): Government has introduced Nutrient Based Subsidy Policy with effect from 1.4.2010. Though the MRP is being fixed by Companies under this policy, the Government has fixed the subsidy under Nutrient Based Subsidy in such a manner that the MRP with effect from 1.4.2010 fixed by companies is near to the earlier level of MRP. A marginal increase of Rs. 30 per bag only has taken place. In case of MOP, no increase has taken place and in case of SSP, there is reduction of Rs. 70 per bag.

(e) & (f): Farmers are getting fertilizers at MRP which is the difference between the total cost and subsidy given by the Government. The MRP payable by the farmer is approximately only 40% of the cost. As such, approximately 60% of the cost of fertilizers is borne by Government, which is benefiting the farmers.